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SUBJECT: MOLDOVA: 2008-2009 INTERNATIONAL
NARCOTICS CONTROL STRATEGY REPORT (INCSR) PART II:
MONEY LAUNDERING AND FINANCIAL CRIMES (PART II OF
II)

¶20. Article 279 of the Moldovan Criminal Code criminalizes terrorist financing, defining it as a Qserious crime.Q Moldova regulates efforts to combat terrorist financing in the Law on Combating Terrorism, enacted on November 12, 2001. Article 2 defines terrorist financing, while Article 8/1 authorizes suspension of terrorist and terrorist-related financial operations. These statutes are disparate from the aforementioned money laundering law, which contains other relevant provisions.

¶21. In 2008, the CCECC issued a decree regarding actions to be taken to enforce the provisions of the Law on Preventing and Combating Money Laundering and Terrorism. The CCECC decree listed entities worthy of particular focus due to possible money laundering and/or terrorist financing concerns. These entities include countries that produce narcotics, countries that do not have legal provisions against money laundering and terrorist financing, countries with a high crime rate and corruption, countries operating offshore centers, and persons, groups, and entities identified as participating in terrorist activities. The decree was developed on the basis of MoldovaQs national interests and from U.S. and UN lists of designated terrorists. In 2008, according to the CCECC, the Moldovan authorities neither froze nor seized assets related to terrorism or terrorist financing.

¶22. Reportedly, no indigenous alternative remittance systems exist in Moldova, although the use of cash couriers is common. During 2008, authorities report that they did not detect any cases involving the misuse of charitable or nonprofit organizations. In December 2006, the GOM signed a \$24.7 million Threshold Country Program with the Millennium Challenge Corporation that focuses on anti-corruption measures. The GOM requested funding to address areas of persistent corruption including the judiciary, health care system, tax, customs and law enforcement. Moldova is listed as 109 out of 180 countries in Transparency InternationalQs 2008 Corruption Perception Index.

¶23. The GOM does not have a bilateral agreement with the United States for the exchange of information regarding money laundering, terrorism, or terrorist financing investigations and proceedings. Moldovan authorities, however, continue to solicit USG assistance on individual cases and cooperate with U.S. law enforcement personnel when presented with requests for information or assistance. The FIU has entered into bilateral agreements with the financial intelligence units of Albania, Belarus, Bulgaria,

Croatia, Estonia, Georgia, Indonesia, Korea, Lebanon, Lithuania, Macedonia, Romania, Russia, and Ukraine to exchange information.

¶24. Moldova is party to the 1988 UN Drug Convention, the International Convention for the Suppression of the Financing of Terrorism, and the UN Convention Against Transnational Organized Crime. On October 1, 2007, the GOM ratified the UN Convention against Corruption. In addition, Moldova signed an agreement with CIS member states on the exchange of information on criminal matters, including money laundering. In 2004, the CCECC was accepted as an observer at the Eurasian Group on Combating Money Laundering. Moldova is a member of the Council of Europe's Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL). On May 20, 2008, Moldova joined the Egmont Group of financial intelligence units.

¶25. The GOM should continue to enhance its existing anti-money laundering and counter-terrorist financing regime. The GOM should ensure that the FIU and law enforcement agencies have sufficient resources, training, and tools to adequately analyze and investigate suspected cases of money laundering and terrorist financing. The GOM should improve the mechanisms for sharing information and forfeiting assets. Border enforcement and anti-smuggling enforcement should be top priorities and considered potentially economically and criminally destabilizing if not properly addressed. The GOM should continue the momentum of its anticorruption efforts, an area where it has made genuine progress in a relatively short period of time.

CHAUDHRY